

Message Text

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PAGE 01 BUENOS 03613 162159Z
ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 AID-05 CIAE-00
COME-00 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00
XMB-04 OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01
PA-02 PRS-01 /081 W
-----170545Z 027082 /12

R 162051Z MAY 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 0504
INFO AMEMBASSY LONDON

UNCLAS BUENOS AIRES 3613

E.O. 11652: N/A
TAGS: EFIN, AR
SUBJECT: 100 MILLION DOLLAR LOAN TO ARGENTINA

1. LOCAL NEWS MEDIA REPORTED THE SIGNING IN LONDON OF
100 MILLION EURODOLLAR LOAN BY PRIVATE CONSORTIUM HEADED BY
LONDON MULTINATIONAL BANK TO THE BANCO NACIONAL DE DESARROLLO
(BANADE), THE STATE-OWNED DEVELOPMENT BANK. THE LOAN HAS A
FIVE-YEAR TERM, INCLUDING A YEAR AND A HALF GRACE PERIOD, AND
HAS INTEREST RATE OF 1.75 PERCENT OVER LIBO. NO GUARANTEE
FROM THE GOA TREASURY WAS REQUIRED -- AND INDICATION THAT
BANADE'S CREDITWORTHINESS IS NOW ENJOYING A HIGH DEGREE OF
CONFIDENCE IN THE FOREIGN BANKING COMMUNITY.

2. BANADE WILL USE THE LOAN TO FINANCE PROJECTS BY PRIVATE
ARGENTINE COMPANIES, CHARGING THEM A ONE-TIME COMMISSION
OF 1.25 PERCENT AND THE PESO EQUIVALENT FOR THE LOAN AND
INTEREST PAYMENTS, ADJUSTED FOR THE DEVALUATION OF THE PESO.

3. COMMENT: WITH ITS NET RESERVES CONTINUING TO RISE
(ABOUT \$2.2 BILLION AT END OF APRIL, AND FAVORABLE
PROSPECTS FOR THE BALANCE OF PAYMENTS IN 1977, ARGENTINA
IS LOADING INCREASINGLY ATTRACTIVE TO THE BANKING
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COMMUNITY. THIS IS CLEARLY REFLECTED IN THE LARGE
NUMBER OF BANKERS WHO HAVE BEEN VISITING THE EMBASSY IN
RECENT MONTHS AND WHO HAVE EXPRESSED THEIR INTEREST IN
INCREASING THEIR EXPOSURE TO ARGENTINA.
CHAPLIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, BANK SERVICES
Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUENOS03613
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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